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Head of NSA Is Dismissed for Opposing Budget Cuts

By ROBERT C. TOTH, *Times Staff Writer*

WASHINGTON—The head of the National Security Agency, the largest and most secret of all U.S. intelligence organizations, was quietly forced out last month after he repeatedly refused to endorse budget cuts sought by the Reagan Administration, The Times has learned.

The NSA chief, Air Force Lt. Gen. Lincoln D. Faurer, is understood to have contended that the cuts could lead to erosion of future U.S. intelligence capabilities, though there has also been friction between the blunt-mannered general and senior Defense Department officials.

NSA operates the vast network of U.S. spy satellites and worldwide listening posts used to monitor the development and activities of Soviet nuclear missiles and atomic submarines, as well as compliance with arms control agreements. It also eavesdrops on a broad array of foreign electronic communications.

The agency has 65,000 employees and an annual budget believed to exceed $10 billion. The exact figure is classified and NSA's funds are hidden in the overall Pentagon spending blueprint.

Faurer's dismissal by Defense Secretary Caspar W. Weinberger leaves vacant one of the three top intelligence posts in the Defense Department and has set off intense jockeying within the Pentagon, the CIA and the White House over who will succeed him.

It also comes during a period of unusually sweeping changes in the upper ranks of the military intelligence community.

Sources said that Weinberger fired Faurer after the general refused to mute his opposition to reductions in the NSA's fiscal 1986 budget, cuts apparently sought by the Reagan Administration in an effort to reach a compromise with Congress on overall defense spending. One official said Faurer's continued resistance had "created a big fuss in the intelligence community."

While the Reagan Administration, and Weinberger in particular, have supported major increases in Pentagon spending in the past, they have found themselves under mounting fire this year from Democrats and also from Republicans concerned about the potential impact of soaring federal budget deficits on the 1986 congressional elections.

Accordingly, the Administration has begun to give ground on its original Pentagon spending plans.

Although the precise cuts Faurer opposed are not known, sources said they involved money for construction of new facilities and installation of new equipment at NSA's sprawling headquarters in Ft. Meade, Md., and elsewhere in the world.

One source said the fired NSA chief, who could not be reached for comment, believed the cuts would adversely affect U.S. intelligence capabilities in future years. Weinberger, an Administration official said, supported the NSA reductions and dismissed Faurer "to put an end to the agonizing over this issue."

'A Blaze of Glory'

Faurer, a West Point graduate with almost 35 years of service, had been scheduled to retire in August. But when the budget dispute arose, one source said, Weinberger pointedly suggested he speed up his retirement and Faurer decided to "go out in a blaze of glory" by submitting his retirment papers immediately, on March 19.

He left his office April 1 and it has been vacant since.

Faurer's abrupt departure seemed likely to focus attention on the striking and perhaps unprecedented number of changes under way in the top ranks of U.S. military intelligence:

—Of the two other top Defense Department intelligence posts, the senior intelligence policy job, held by the deputy undersecretary of defense for policy, has been vacant since February. The third key position, director of the Defense Intelligence Agency, is expected to become vacant this summer.

—The intelligence chiefs of the Army and Navy will leave their jobs this summer, and the post of Air Force intelligence chief has just changed hands.

Weinberger, acting on the recommendation of the Joint Chiefs of Staff, initially chose a Navy admiral to replace Faurer at NSA. But that selection reportedly was unacceptable to William J. Casey, who is both head of the Central Intelligence Agency and director of central intelligence.

As director of central intelligence, Casey has overall policy and budget direction over the dozen or so agencies that make up the intelligence community. He objected to the fact that the admiral Weinberger selected has had only one year of intelligence duty.

Casey was unavailable for comment Thursday.

Another candidate, identified as Lt. Gen. William Odom, the Army's intelligence chief, has Casey's endorsement, but one source said the White House objects because Odom served in the Jimmy Carter White House. Another source said Odom is being passed over for NSA director because he is a leading candidate to take over the Defense Intelligence Agency in the fall.

The NSA, whose original 1947 mandate has never been made public, has always been cloaked in unusual secrecy. Besides the spy satellite system, however, it is known to run most of the U.S. listening posts that pick up everything from commercial telephone calls to Soviet submarine transmissions and car telephone calls between Soviet leaders.

Among its more spectacular known feats was its interception of the final conversation between ground control and the Soviet cosmonaut who died 20 years ago when his spaceship's parachute failed—including his final message to his wife and his screams as the craft burned.

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